



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

TO: All State Agency Directors, Personnel Contacts, Boards, Commissions,
and Human Resource Representatives

FROM: Kay B. Terry, State Personnel Administrator *Kay B. Terry*
Department of Finance and Administration

DATE: December 2, 2010

SUBJECT: Procedural Instructions for the restoration of Salary Increases

As the Governor has announced today and as stated in Richard A. Weiss' December 2, 2010 memorandum, career service recognition payments, cost of living (COLA) and merit increases are being reinstated. The implementation procedures are as follows:

- **Cost of Living Adjustment (COLA)**

- The 2% COLA increase will be effective December 26, 2010 for all current employees excluding extra help.
- The 2% adjustment will be based on the employee's basic pay rate as of December 26th.
- Employees who are at or above the maximum rate of pay for their classification but do not have at least 15 years of service, will receive their COLA in the form of a lump sum at the end of the fiscal year. Those employees who at the career level of their classification will receive their COLA in the form of a lump sum at the end of the fiscal year.
- Increases **will not** be retroactive.
- No action will be required on the part of the agency as AASIS will generate the increase.

- **Merit Increase**

- Merit adjustments will be reinstated in the pay period beginning December 26, 2010 and awarded to current employees who are eligible based on their performance review.
- Those employees who are at or above the maximum rate of pay for their classification but do not have at least 15 years of service will receive their merit adjustment in the form of a lump sum at the end of the fiscal year. Those employees who at the career level of their classification will receive their merit adjustment in the form of a lump sum at the end of the

fiscal year. All Professional & Executive and unclassified employees will receive their adjustment in the form of a lump sum at the end of the fiscal year.

- Increases **will not** be retroactive.
- **All performance review data must be updated in AASIS to insure employees receive their merit adjustment in a timely manner.**

- **Career Service Recognition Payments**

- Payments will begin with the pay period beginning December 26, 2010.
- Payments will be awarded to currently active employees who are eligible for career service recognition payments.
- Career Service recognition payments amounts will be in accordance with Arkansas Code 21-5-106.
- Agencies will be provided a list for verification of all eligible employees. You will need to verify the data and send your approval for processing to Vicki Gorman at vicki.Gorman@dfa.arkansas.gov by December 30, 2010. Once your approval has been submitted, the career service recognition payment data will be loaded by the AASIS Service Center. If you do not make the December 30th deadline you will be responsible for the entry of your agency's data.
- Payments will be automatically generated in AASIS for those eligible employees who have a Career Service Date between July 1, 2010 and December 25, 2010 with the submitted agency approval. These payments will be on the January 14, 2011 paycheck.
- All career service recognition payments for dates after December 25th should be processed based on the established procedures.

If you have any questions regarding these increases, please feel free to contact me at 682-1823 or kay.terry@dfa.arkansas.gov, Herb Scott, Deputy OPM Administrator at 682-5130 or herb.scott@dfa.arkansas.gov or your State Personnel Analyst at 682-1753.